

Statement of Senator John McCain
Hearing on The Muhammad Ali Boxing Reform Act, S. 2238
Thursday, July 23, 1998

I am very pleased to convene this hearing on legislation I have introduced with my colleague Senator Richard Bryan to reform the professional boxing industry. This legislation, S. 2238, the Muhammad Ali Boxing Reform Act, has three objectives. First, to protect the rights and welfare of professional boxers by preventing certain exploitative and coercive business practices they may be subjected to on an interstate basis. Second, to assist State boxing commissions in their efforts to provide effective public oversight of this sport. And finally, to promote honorable competition in professional boxing and enhance the overall integrity of the industry.

These are worthy objectives, but they will not be easy to achieve. The professional boxing industry exists in an atmosphere of few "fair business practice" standards and ethical guidelines to curb the excesses of individuals who care little for its athletes or its fans. Probably more than any other major sports industry in the U.S., professional boxing needs a strong, central "league" or association of its business leaders, and a representative body to serve the interests of the boxers. Yet professional boxing has neither. This vacuum of responsible private sector institutions in the sport have led to decades of continued abuses and exploitation.

I am deeply committed to seeing what modest and appropriate steps the Congress can take to support the work of state boxing commissioners, who are the primary representatives of the public interest with respect to boxing. The legislation before us today is based on several hearings and months of consultation with state officials and respected members of the industry. I think it would be fitting to enact a measure designed to protect the interests of boxers and improve the integrity of the sport after Muhammad Ali. He was an unparalleled spark of ability and personality, and his career achievements are one of the greatest athletic stories in the history of sport. I want to express my gratitude to Mr. Ali for his graciousness in allowing this reform measure to be named in his honor.

This bill seeks to remedy many of the anti-competitive and outright indefensible business practices which commonly occur in professional boxing. It would prohibit some of the harmful and restrictive business practices which have exploited professional boxers and crippled their right to have a fair say in the direction of their careers. This measure seeks to curb some of the more coercive and arbitrary practices of promoters and sanctioning organizations in the sport, and it does so without imposing undue restrictions on legitimate business practices in the industry.

There is a compelling need for public interest reforms in the boxing industry at the federal level. While many state boxing commissions are extremely dedicated and capable, the interstate scope of various contracting and sanctioning organization abuses are beyond the ability of any one state to address. If just a few states begin to crack down on the promoters or sanctioning organizations which are engaged in anti-competitive or unfair practices, those states would be punished by these entities merely shifting their boxing events to another jurisdiction that is less well regulated. I strongly believe that limited and prudent federal reforms are necessary to ensure that there is no "safe harbor" for disreputable practices in the boxing industry.

Let me briefly cover the major highlights of the "Ali Act." It would require that all contracts between promoters and boxers must contain specific terms and a mutuality of obligation. Those are important requirements, for the Committee has received extensive testimony and information in the past which shows how boxers are often pressured into signing non-specific, long-term contracts that contain onerous and restrictive provisions. State officials are unaware of these practices, many of which clearly violate state laws, because they never see the full contract entered into by the boxer. Certain promoters have become quite skilled in duping boxers into signing long term contracts that represent nothing more than a sophisticated version of indentured servitude.

The Ali Act attempts to increase fair competition in the industry by limiting certain "option clauses" to one year. A boxer should not be forced to sign away his entire future just to be able to compete in a major bout, and a promoter should not be permitted to destroy legitimate competition in a weight division by controlling and dominating all boxers who seek to fight for its championship. A boxer who has earned the right to compete in a title bout as a number one, "mandatory contender" should not be required to provide any "future options", and the Ali Act would prohibit this particularly inappropriate practice.

This legislation also attempts to inject some integrity and credibility into the ratings system that exists in professional boxing. Let us be candid about the ratings bodies. The sanctioning organizations comprise a byzantine and largely arbitrary system of rating fighters that is not primarily on their skills and successes in the ring. Instead a boxer's rating often has much more to do with who their promoter is, and whether they will agree to the dictates of the organization with respect to sanctioning fees and mandatory opponents. The current practice of the sanctioning bodies to "not rank" the "champion of another organization" is not credible, works to prevent the bouts that the public wants to see, and must be reformed.

The Ali Act would require all sanctioning organizations to develop credible and consistent ratings criteria; publicly disclose all their bylaws and voting members; prohibits their receipt of payments from promoters other than their customary sanctioning fee and expenses; and to provide an explanation to boxers in the U.S.

when their rating is changed. This latter provision --providing an explanation of certain ratings decisions in the "top ten" of each organization --is absolutely vital. Hopefully it will bring some "sunlight"

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and integrity into ratings decisions. It is simply wrong for sanctioning bodies to wield leverage over the course of a boxer's career, --which is exactly what their ratings do --if they are unwilling to disclose to the boxer and the public what the rationale for their decisions are. A high rating position is in effect a "property right, " --and one that certain promoters and sanctioning officials zealously manipulate. Boxing will never be the great sport it once was until the ratings system is made more legitimate and respectable.

Finally, the Ali Act will require fuller disclosure of boxer -promoter contracts and sanctioning fees. Enhanced information on financial arrangements will assist state officials in ensuring that state laws regarding boxing contracts are not violated, and help prevent boxers from being exploited by onerous contracts.

I look forward to today's testimony. As is the standard operating procedure with Congressional hearings on boxing, I regret that many of the most influential business men in the sport declined the opportunity to appear before the Committee. Invitations were extended to promoters Don King, who did not respond, and Bob Arum, who declined to attend. Manager Shelly Finkel was not testify this morning, but I will enter his strong endorsement of the Ali Act into the record. I regret that a witness from Main Events was unable to appear, but I appreciate the letter the Committee received from Dino Duva, which expresses support for the main principles of this legislation. I will also enter into the record letters of endorsement from Roy Jones, Jr. and Mike Tyson into the record.

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